

City of Detroit

CITY COUNCIL

IRVIN CORLEY, JR.
FISCAL ANALYST
(313) 224-1076

FISCAL ANALYSIS DIVISION
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 218
Detroit, Michigan 48226
FAX (313) 224-2783
E-Mail: cc-fiscal@ci.detroit.mi.us

ANNE MARIE LANGAN
ASSISTANT FISCAL ANALYST
(313) 224-1078

TO: Shannon Holmes, Director
Human Resources Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 27, 2009

RE: 2009-2010 Budget Analysis

14.

Attached is our budget analysis regarding your department's budget for the upcoming 2009-2010 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, April 29, 2009 at 1:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Joe Harris, Finance Department Director
Pamela Scales, Budget Department Director
Ervin Stewart, Budget Department Team Leader
Arese Robinson, Mayor's Office

Human Resources (28)

FY 2009-10 Budget Analysis by the Fiscal Analysis Division

Summary

The Human Resources Department is a General Fund agency. The Mayor's 2009-10 recommended budget of \$16.25 million reflects an \$8.98 million (35.6%) decrease from the current fiscal year.

2008-09 Surplus/(Deficit)

The Mayor has estimated a net surplus of \$1,251,400 for the Human Resources Department. The surplus consists of an appropriation surplus of \$5.02 million due primarily to vacancies in the Apprentice Program, which is offset by a revenue deficit of \$3.77 million also due to vacancies in the Apprentice Program.

Overtime

The Human Resources Department's 2008-09 current overtime budget is \$652,856. The department has spent \$407,066 (62.35%) on overtime through March 31, 2009. The recommended budget for overtime in FY 2009-10 is \$208,480 a \$444,376 (68%) decrease.

Personnel and Turnover Savings

The Mayor recommends a net increase of 95 positions in the 2009-10 recommended budget. Eighty-four (84) of the position reductions impact the Apprentice Administration Unit, where 30 positions will be transferred to several other agencies which include General Services, Public Lighting, D-DOT and Water and Sewage, the remaining 50 Apprentice position reductions will be eliminated from the budget. In addition, the Mayor has deleted 15 vacancies from Administration, Employees Services and Hearings & Policy.

The Mayor has recommended no turnover savings for the Human Resources Department in fiscal year 2009-10.

The following is information by appropriation comparing FY 2008-09 positions, March 31, 2009 filled positions and FY 2009-10 recommended positions.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2008-09</u>	<u>Filled Positions 3/31/2009</u>	<u>Mayor's Budget Positions FY 2009-10</u>	<u>Over/(Under) Actual to 08/09 Budget</u>	<u>Mayor's Recommended Turnover</u>
Human Resources (28):					
280008 HRMS	6	0	7	(6)	\$ -
280110 Administration	12	8	9	(4)	\$ -
280153 Records	5	4	5	(1)	\$ -
280154 Employee Assistance Center	1	1	0	0	\$ -
280311 Employee Development	6	5	4	(1)	\$ -
00105 Administration	30	18	25	(12)	\$ -
280400 Employment Services	14	15	14	1	\$ -
00106 Personnel Selection	14	15	14	1	\$ -

00107 Supportive Services	0	0	0	0	\$	-
280510 Econ. Union Contract Provisions	5	4	5	(1)	\$	-
280520 Benefits Administration	15	13	15	(2)	\$	-
280530 L.R. Administration	5	4	5	(1)	\$	-
280540 Non-Econ. Union Contract Prov.	5	3	5	(2)	\$	-
00108 Labor Relations	30	24	30	(6)	\$	-
280010 Employee Svcs. - Administration	2	0	2	(2)	\$	-
280011 Employee Svcs. - Water	21	19	21	(2)	\$	-
280020 Employee Payroll	58	49	54	(9)	\$	-
280021 Emp. Svcs. Cust./Comm. Svcs.	7	5	7	(2)	\$	-
280022 Emp. Svcs.-Municipal Svcs.	12	10	10	(2)	\$	-
280023 Emp. Svcs.-Administrative Svcs.	4	4	4	0	\$	-
280610 Emp. Svcs.- Sewerage	7	6	7	(1)	\$	-
280690 Employee Svcs.- DOT	10	14	9	4	\$	-
00833 Employee Services	121	107	114	(14)	\$	-
00854 Hearings & Policy Development	3	2	2	(1)	\$	-
280331 Apprentice Training Program	80	35	0	(45)	\$	-
280335 Apprentice Administration	3	1	1	(2)	\$	-
10549 Apprentice Training Program	83	36	1	(47)	\$	-
28XXXX Interns	0	1	0	1	\$	-
28XXXX Leave of Absence	0	1	0	1	\$	-
28XXXX Worker's Comp.	0	(1)	0	(1)	\$	-
28XXXX Unmatched Positions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$</u>	<u>-</u>
TOTAL	<u>281</u>	<u>203</u>	<u>186</u>	<u>(78)</u>	<u>\$</u>	<u>-</u>

Significant Funding by Appropriation

Appro. Program

00105 Administration This appropriation decreases by \$1.17 million in FY 2009-10. The decrease is due primarily to a \$240,133 decrease in org 28-0008 HRMS, which includes salary & benefits decreases of \$205,880 (including the elimination of \$85,456 in wages overtime) and various other small decreases; a \$449,723 reduction in org 280110 Administration, which losses 3 positions and includes \$330,702 in salary & benefits decreases and various other small decreases; a \$51,242 reduction in org 28-0153 Records; a \$46,487 reduction in org 28-0154 Employee Assistance Center due to the elimination of its one position and the accompanying salary and benefits costs, leaving only the contractual services costs of \$158,000; and a \$390,702 reduction in org 28-0311 Employee Development, due to the loss of 2 positions and the reduction of \$258,654 in salaries & benefits costs, \$119,548 reduction in Rentals-Buildings and various other small decreases.

00106 Personnel Appropriation decreases by \$221,312 due primarily to a \$188,312 decrease in org 28-0400 Employment Services,

due primarily to \$180,812 decrease in salaries & employee benefit decreases, and a \$8,000 decrease in Advertising, offset by a slight \$500 increase in office supplies; and a \$33,000 decrease in org 28-0450 Student Programs-Interns in personal services contract costs.

- | | | |
|-------|--------------------------------|---|
| 10549 | Apprentice Training Program | This appropriation decreases by \$6,467,868 (98.6%). The majority of the decrease is due to the elimination of org 28-0331 Apprentice Training Program of \$6,338,244 and its 80 positions, of which 30 positions will transfer to several other agencies and the remaining 50 positions will be eliminated. Also included, is a \$129,624 decrease in org 28-0335 Apprentice Administration, due to positions salary and benefit decreases resulting from the net loss of two (2) positions, resulting from the elimination of 3 positions (one Human Resource Specialist I, one Administrative Assistant Grade II and one Office Assistant II) and the addition of one Human Resource Specialist II. |
| 00108 | Labor Relations | This appropriation decreases by \$286,605 in FY 2009-10. The decrease is due primarily to a \$150,060 decrease in org 28-0530 Labor Relations Administration, a \$80,904 decrease in org 28-0520 Benefits Administration, a \$31,900 decrease in org 28-0510 Economic Union Contract Provisions and a \$23,741 decrease in org 28-0540 Non Economic Union Contract Provisions. |
| 00833 | Employee Services | This appropriation decreases by \$721,896 in FY 2009-10. The decrease is due primarily to a \$617,633 decrease in salary & wages and a \$104,263 decrease in employee benefits, resulting from the loss of 7 positions (4 in Employee Payroll, 2 in Employee Services-Municipal Services and 1 in Employee Services- Department of Transportation). |
| 00854 | Hearing and Policy Development | This appropriation decreases by \$108,199 in the 2009-10 FY, due primarily to salary & wages and benefits decreases in org 28-0551 Non Union Hearings resulting from the loss of one position. |

Significant Revenue Changes by Appropriation and Source

Appro. Program

- | | | |
|-------|-----------------------------|---|
| 10549 | Apprentice Training Program | This revenue appropriation is eliminated, due to elimination of Apprentice program in the department. |
|-------|-----------------------------|---|

00833 Employee Services Revenue decreases by \$513,694 in FY 2009-10, due to corresponding appropriation decreases.

Budgeted and Contractual Services by Activity

Human Resources (28)

Budgeted Professional and <u>Contractual Services by Activity</u>	FY 2008-09 <u>Budget</u>	FY 2009-10 <u>Recommended</u>	Increase <u>(Decrease)</u>
Administrative Services	\$ 227,040	\$ 248,000	\$ 20,960
Employee Services Group	110,000	77,000	(33,000)
Organization	-	-	-
Labor Relations	700,000	600,000	(100,000)
Employee Services	-	-	-
Hearings & Policy Development	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total	<u>\$ 1,067,040</u>	<u>\$ 955,000</u>	<u>\$ (112,040)</u>

Professional and Contractual Services in the Human Resources Department decrease by \$112,040 (10.5%) in 2009-10 FY.

Issues and Questions

The Mayor recommends a net decrease of 95 positions for the Human Resources Department for the 2009-10 FY.

- The Mayor has recommended that all 80 of the Apprentice positions be removed from the Human Resources Department's Budget in the 2009-10 FY. The department has, however, retained Apprentice Administration and one position (one Human Resource Specialist II) and its costs (\$91,094) in the 2009-10 FY. What is the rationale for retaining the position and costs for Apprentice Administration in Human Resources when the department no longer has any apprentices to administer?

Fifteen (15) positions will be deleted from Administration, Employees Services and Hearings & Policy.

Executive Budget Pg 28-28:

- In 28-0008 HRMS, the department is eliminating 1 Manager I-Human Resources, 2 Human Resources Specialist II, 2 Human Resources Specialist I and 1 Office Management Assistant, and adding 7 Business Support Specialist I (6 deletions & 7 additions) for a net increase of one to this org. What is the rationale for this change? It appears these planned changes will downgrade several positions in this particular org (i.e. 1 Manager I-Human Resources). Will these position changes involve the demotion of any current employees? Is the Business Support Specialist I a new position in the department?

- In 28-0110 Administration, the department is eliminating 2 Manager I-Human Resources positions, 1 Human Resources Consultant II, 1 Human Resources Specialist I, 1 Records Systems Specialist I, 1 Records Systems Specialist I and 1 Data Processing Aid and adding 1 Manager I Human Resources IT, Administrative Assistant Grade III and Microcomputer Support Specialist (6 deletions & 3 additions). It appears these planned changes will downgrade several positions in this particular org (i.e. 2 Manager I-Human Resources positions). What is the rationale for this change? Will these position changes involve any demotion of current employees? If so, please explain. If not, please describe the methodology involved to complete these position changes. Which if any of the positions set for deletion are currently vacant?
- Overall, org 28-0020 Employee Payroll is losing 4 positions. Are these positions currently vacant? Included in the reductions are several position changes. How will the position changes and the loss of positions impact the day-to-day functions in Employee Payroll?

Employment Services Group

Page 28-6 One of the stated goals is to: **Continue to reduce the City's unemployment costs by auditing, processing claims timely and ensuring that the City receives appropriate restitution.**

- How has the department progressed in meeting the goal of reducing the City's unemployment costs and has the department's efforts been successful?

Page 28-7 Goals Measures: Units of activity or service demands made:

	2006-07 Actual	2007-08 Actual	2008-09 Projection	2009-10 Target
Open competitive examinations administered (written/demo/oral appraisal)	900	900	2,000	2,000
Percent change	N/A	0%	122.2%	0%

- How has the department fared in reaching the projected increase of 1,100 open competitive examinations administered, as indicated in the chart above for the current 2008-09 FY?

What is the current status of the new HRMS payroll system?

When does the department anticipate the new HRMS payroll system will be completely implemented?

Please provide a list of all fees and charges made by the Human Resources Department. Include the amount of the current fee or charge. Indicate when the fee or charge was last changed, and the amount of the change. Indicate if the fee or charge was reviewed as part of the city-wide fee study conducted by Maximus. If the fee was included in the study what was the recommendation? Has the recommendation been implemented? If not provide an explanation of why the recommendation was not implemented?

Is the department involved in any activities that are not recorded as part of the city's financial reporting system? If so, identify what the activities are. Example, the Mayor's Office has established a non-profit organization in connection with the soon to be renamed Next Detroit Neighborhood Initiative Program.

Does the department use any automated or electronic systems not directly linked to the financial reporting system, DRMS? Is so, identify what the systems are, and what the plans and timetable is to incorporate the system into DRMS. Example, the Recreation Department has a Recreation Activity Fund whose financial records are maintained separately from the DRMS system.

IC:DH